HON'BLE SRI JUSTICE BILAL NAZKI
AND
HON'BLE SRI JUSTICE S. ANANDA REDDY

WRIT PETITION No.18170 of 2004

Date: 05-06-2007.

Between :

A.Ramananda Sastry.

.....Petitioner

And

The Deputy Commercial Tax Officer, Amberpet Unit, Vidyanagar Circle, Hyderabad & others.

.....Respondents.

HON'BLE SRI JUSTICE BILAL NAZKI
AND
HON'BLE SRI JUSTICE S. ANANDA REDDY

WRIT PETITION No.18170 of 2004

ORDER : (Per Hon'ble Sri Justice Bilal Nazki)

An application being WPMP.No.10052 of 2007 has been filed for early hearing of the matter. Since the matter is a covered matter, it is being taken up for hearing today with the consent of learned counsel for the parties.

The petitioner was, sometime back, Managing Director of the respondent No.3 Company. He had resigned from the Company, but continued to be there as a Director. It is an admitted case of the parties that the Company is still in existence and has not been wound up. A demand has been raised against the petitioner and a notice was given on 14.09.2004, which is the subject matter of this writ petition. The ultimate para of this notice reads as under—

> *"In view of the above circumstances, Sri A.Ramanadha Sastri the then Managing Director of M/s.Navanidhi communications Private Limited is requested to pay the arrear Sales Tax amount of Rs.1,01,889-00 under APGST Act for the year 1997-*

98 immediately without any further lapse of time, failing which necessary steps will be taken under R R Act without any further notice."

This Court, in its earlier judgments, had considered the question whether the individual Directors of a Company can be fastened with the liability of the Company when the Company was in existence, and the Court has held that unless and until a Company is wound up, the liabilities of the Company cannot be fastened individually to its Directors. In this case, reference is made to a judgment of this Court in **Maddi Swarna v. Commercial Tax Officer**[1].

Following the same judgment, we allow the writ petition and quash the impugned notice. However, the respondents shall be at liberty to recover the liabilities from the Company in accordance with law.

BILAL NAZKI, J

5th June 2007

S. ANANDA REDDY, J

ajr

[1] 124 STC 203